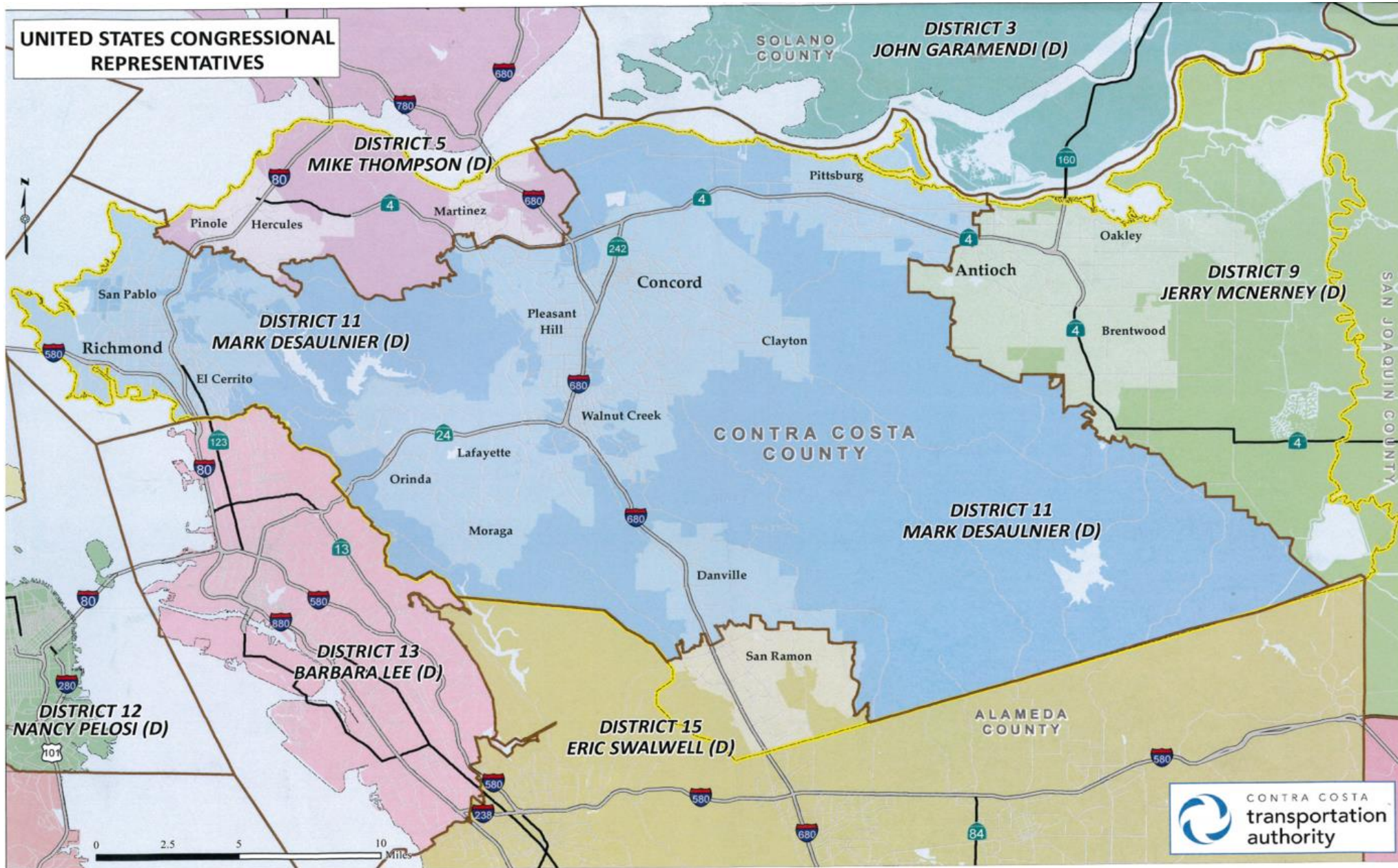




Congressman Mark DeSaulnier

FEBRUARY 20, 2019



THE TRUMP SHUTDOWN

Shutdown over the Border Wall

- ▶ Border funding given in 2017, but unspent.....\$1.6 billion
- ▶ Trump's initial demand for 2018.....\$1.6 billion
- ▶ Republican Senate-passed funding (2018).....\$1.6 billion
- Republican pundits say \$1.6 billion isn't enough-----
- ▶ Trump's new demand.....\$5.7 billion
- ▶ House-passed funding (2018).....\$5.7 billion
- ▶ House Democrats proposal.....\$1.3 billion
- ▶ Final compromise bill.....\$1.37 billion

Efforts to End the Shutdown

Throughout the shutdown, governments and companies have stepped forward to help federal workers who are impacted.

- ▶ Sent a letter to credit unions, banks, and mortgage lenders recognizing credit unions for offering interest-free loans to furloughed federal workers, in the hopes that other financial institutions will follow suit.
- ▶ Sent a letter to Governor Newsom offering to partner and applauding his efforts to extend unemployment insurance to affected federal workers.
- ▶ Sent a letter to Secretary DeVos encouraging her to support student loan borrowers impacted by the shutdown.
- ▶ Cosponsored a bill to require the Treasury Department to offer interest- and fee-free loans to impacted federal employees.
- ▶ Sent a letter to the CEO of Sallie Mae urging him to proactively help federal employees impacted by the shutdown.

The Shutdown: The Impact

- ▶ Congressional Budget Office: **shutdown cost U.S. economy \$11 billion**
 - ▶ The shutdown cost the President almost double what he was asking for in border wall funding.
 - ▶ About **\$3 billion will be permanently lost**.
- ▶ **800,000 workers** were furloughed, including **37,000 in California**.
- ▶ The shutdown resulted in **\$200 million in unpaid wages** each workday.

The Compromise

While we didn't get everything we wanted, the deal had many positive provisions:

- ▶ Promotes a more humane immigration system, by emphasizing medical support, transportation, food and clothing for migrants in detention, expanded Alternatives to Detention, and a commitment to decrease the detention bed quota.
- ▶ Delivers a 1.9% pay raise to federal civilian workers, overriding the President's decision to deny them a pay raise.
- ▶ Makes much-needed investments in infrastructure (\$17 billion) and affordable housing.
- ▶ Protects the environment, by blocking the Administration's deep cuts to initiatives to protect clean water, clean air and public lands and investing a total of \$9.3 billion in the EPA and Land and Water Conservation Fund.

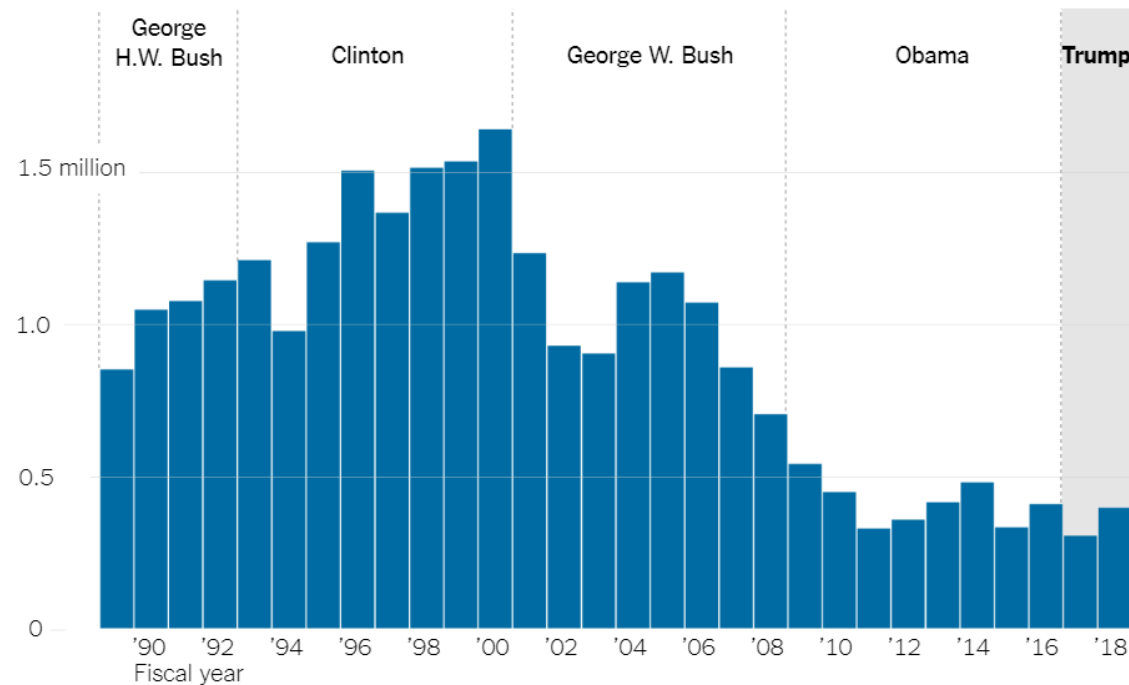
The 1,954 Mile Long Elephant in the Room: The Border Wall

- ▶ 650 miles of previously existing physical barriers, surveillance tools, towers, cameras, motion detectors, thermal imaging sensors, stadium lighting, ground sensors, and drones
- ▶ An internal Department of Homeland Security study estimated the border wall would cost nearly **\$22 billion in up-front construction costs** alone.
 - ▶ Other independent and congressional studies have estimates **up to \$40 or even \$70 billion**

False “Crisis” Narrative

Illegal border crossings have been declining for nearly two decades. In 2017, border-crossing apprehensions were at their lowest point since 1971.

Total number of arrests for illegally crossing the Mexican border



Source: U.S. Customs and Border Protection

#FakeNationalEmergency

- ▶ At the same time he signed the bipartisan compromise, President Trump declared a national emergency at the border so he could steal money from other departments to build the wall.
- ▶ 16 states, including California, have already filed suit to block this move.
 - ▶ Other states include Colorado, Connecticut, Delaware, Hawaii, Illinois, Maine, Maryland, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, Oregon, and Virginia
- ▶ Sponsor a bill in the House to end the “national emergency.”

More To Be Done

My colleagues and I will keep pushing for humane immigration reform and border security upgrades, including

- ▶ Protections for Dreamers;
- ▶ Permanent status for Temporary Protected Status (TPS) recipients;
- ▶ Expedited immigration cases, many of which are taking years;
- ▶ More accountability and oversight of CBP and ICE.



IN OTHER NEWS

Impacts of Trump Tax Plan

- ▶ **83% of the tax cuts go to the wealthiest 1%** (Tax Policy Center)
- ▶ Raises taxes on **86 million middle class families**
 - ▶ **Tax filers have seen an 8.7% decrease in their tax returns this year**
- ▶ \$1.3 trillion (permanent) tax break for corporations
- ▶ Massive tax rate cut from **35% to 21% for corporations**
- ▶ **Adds \$1.8 trillion to debt** over 10 years (CBO)
- ▶ **Repeal of the “individual mandate”**
 - ▶ Will result in 13 million people losing health coverage
 - ▶ Without the individual mandate, premiums estimated to increase by 10% per year

Trump-GOP Tax Plan in 2019: Who Benefits and How Much (in billions)

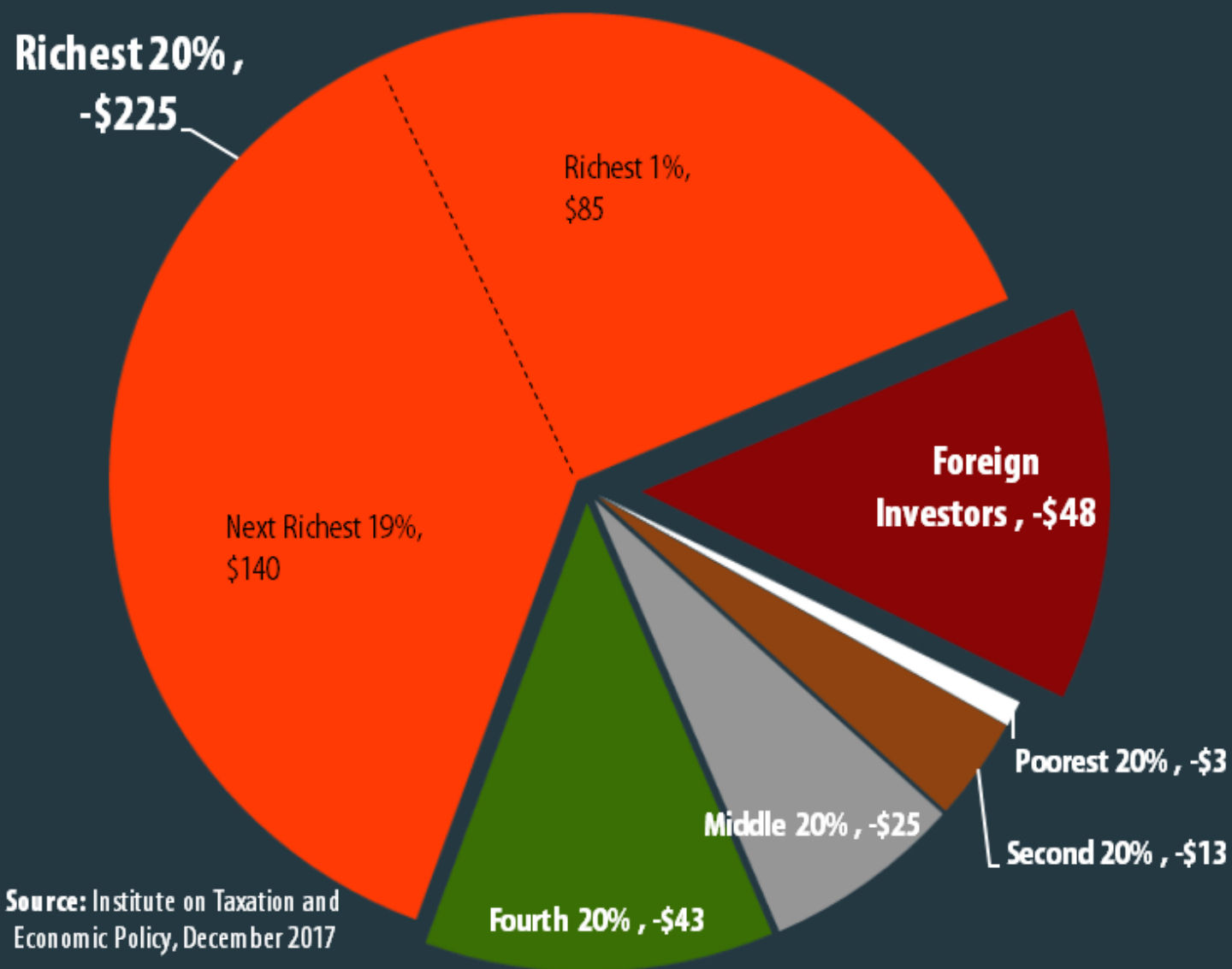
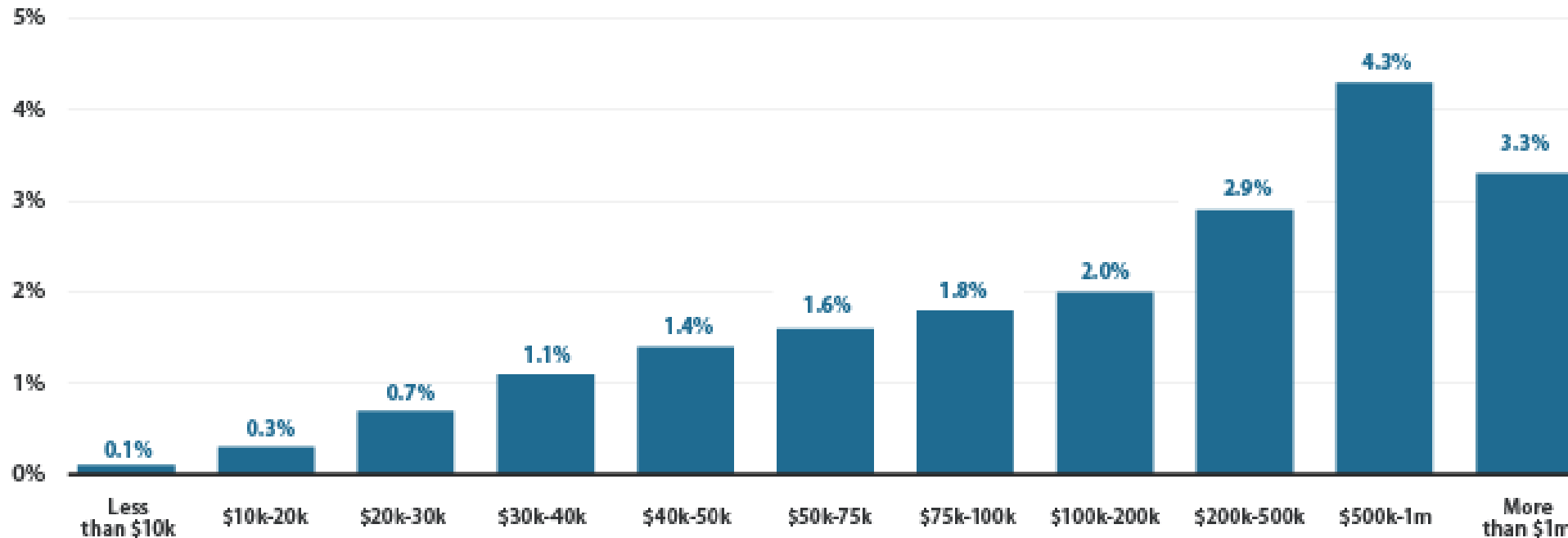


FIGURE 1

Tax bill's distributional impact is skewed toward higher earners

Percent change in after-tax income by income level under Tax Cuts and Jobs Act, 2018*



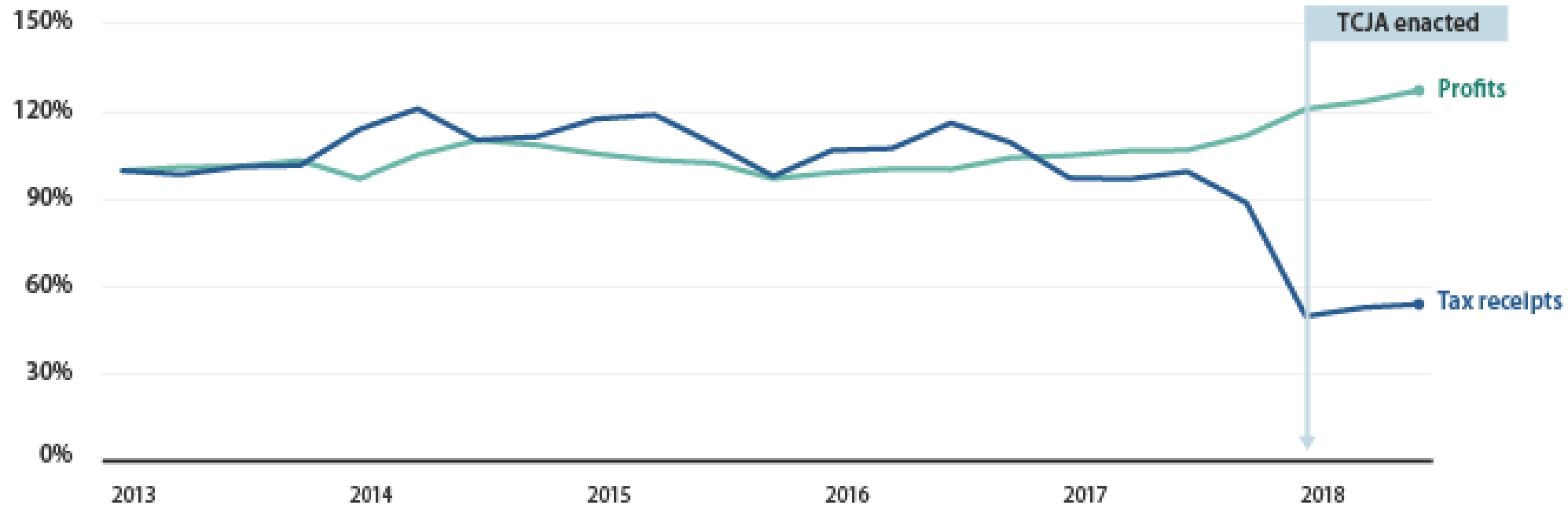
Source: Tax Policy Center, "T17-0313 - Conference Agreement: The Tax Cuts and Jobs Act; Baseline: Current Law; Distribution of Federal Tax Change by Expanded Cash Income Level, 2018," available at <http://www.taxpolicycenter.org/model-estimates/conference-agreement-tax-cuts-and-jobs-act-dec-2017/t17-0313-conference-agreement> (last accessed December 2018).

*Correction, January 3, 2018: This figure has been updated to accurately reflect the information in the PDF.

FIGURE 4

Corporations are paying less in taxes as profits soar

Change in corporate income tax receipts and after-tax corporate profits since January 2013



Note: Most changes related to the passage of the TCJA went into effect on January 1, 2018.

Sources: CAP calculation based on data from Federal Reserve Bank of St. Louis, "Federal government current tax receipts: Taxes on corporate income," available at <https://fred.stlouisfed.org/series/B075RC1Q027SBEA> (last accessed December 2018); Federal Reserve Bank of St. Louis, "Corporate Profits After Tax with Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj)," available at <https://fred.stlouisfed.org/series/CPATAX> (last accessed December 2018)

Tax Bill: California Impacts

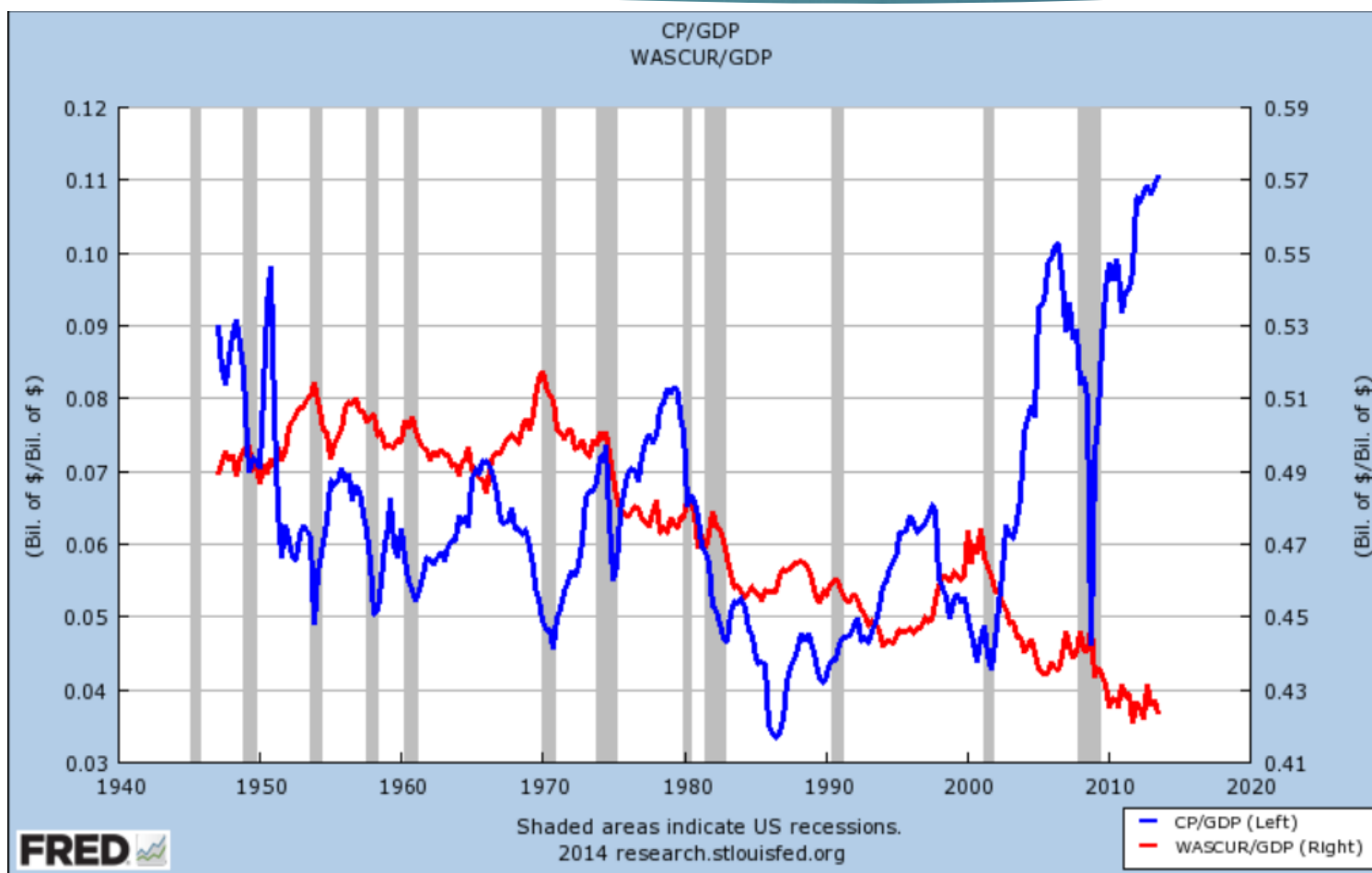
- ▶ Mortgage Interest Deduction – currently capped on debt of \$1,000,000; new law reduces cap to \$750,000
- ▶ Home Equity Loan Interest Deduction Eliminated
- ▶ State and Local Tax Deductions – limited to \$10,000
 - ▶ Average deduction in 2015 in our district: **\$18,672**, with **44% of households claiming the deduction**
 - ▶ Pressure on states and local governments to cut taxes and cut back on services

Inequality

INCOME INEQUALITY IN THE UNITED STATES, 1910-2010



Wage vs. Profit Share of GDP



For the People Act (H.R. 1)

Major pro-democracy, anti-corruption bill supported by Leadership

- ▶ **Make it easier, not harder, to vote**

- ▶ Automatic voter registration, expands early voting, invests in election security.

- ▶ **End the dominance of big money in politics**

- ▶ Overturns *Citizens United*, requires disclosure of dark money, enhances oversight.

- ▶ **Ensure public officials work for the public interest**

- ▶ Requires Presidents to disclose tax returns, creates ethics standard for Supreme Court, bars Members from serving on corporate boards.

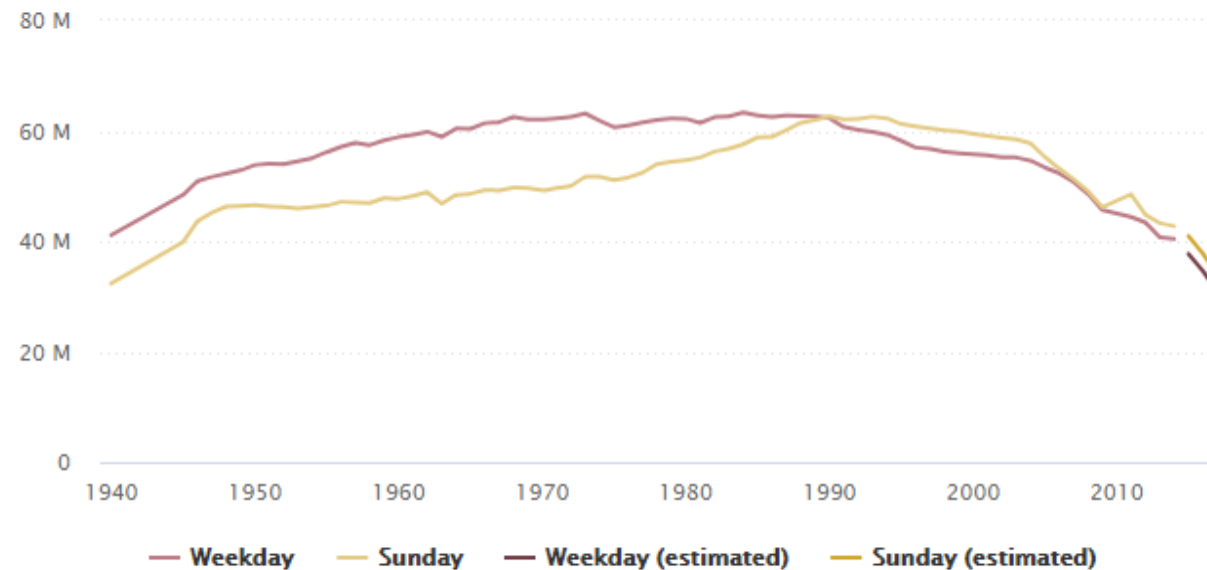
Bipartisan Background Checks Act (H.R. 8)

- ▶ This month, Democrats held first hearing on reducing gun violence since 2011.
- ▶ Next week, we will vote on the Bipartisan Background Checks Act (H.R. 8).
 - ▶ Would ensure background checks for all gun sales.
- ▶ Polls show that between 80 and 90% of Americans support universal background checks.

Local News

- ▶ Newspaper consumption has been falling every year since 1994.
 - ▶ Estimated daily U.S. newspaper circulation for print and digital is down 11% for weekday papers and 10% for Sunday papers.

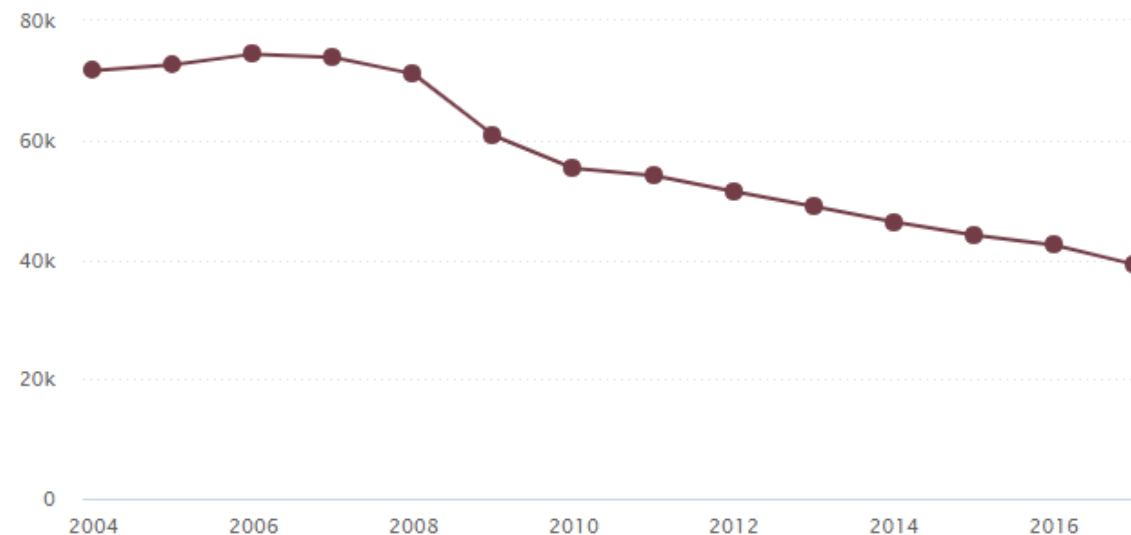
Total circulation of U.S. daily newspapers



Local News (cont'd)

- ▶ Bay Area newspapers used to have around 1,500 journalists – now there are less than 300 serving roughly 7 million people.
- ▶ Studies show that political polarization among voters increases after local newspapers close.

Total number of newsroom employees in the newspaper sector





**IN
CONGRESS**

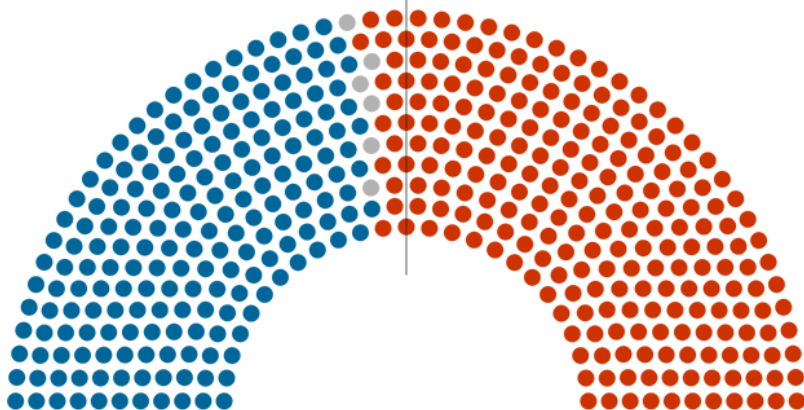
Change in the House

115TH CONGRESS

2017-2018

218 seats for majority

193 235

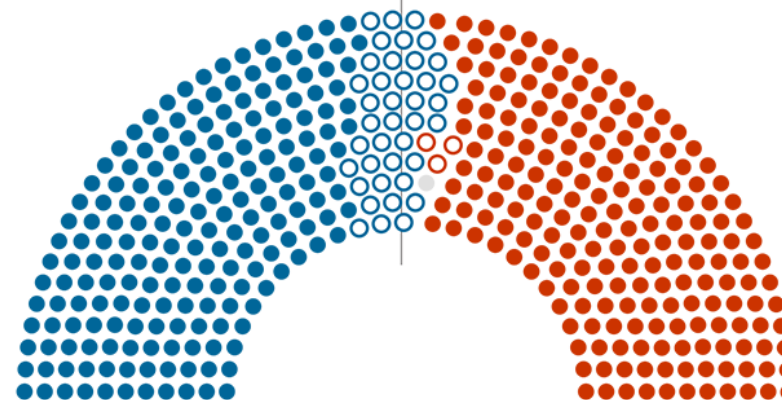


116TH CONGRESS

2019-2020

218 seats for majority

234 200



○ Seats flipped R to D (39) ○ Seats flipped D to R (3)

Congressional Actions

21 initiatives enacted into law, including efforts to:

- ▶ Expand John Muir National Historic Site
- ▶ Rename Post Office in Richmond
- ▶ Empower pharmacists to fight the opioid crisis

16 legislative efforts passed the House and Committee including efforts to:

- ▶ Better fund affordable housing and research on doctor-patient communication
- ▶ Ensure that no regulation rollbacks harm public health

Caucuses & Initiatives:

- ▶ **Future of Work Wages and Labor**
- ▶ **Bipartisan Cancer Survivors Caucus**, *Founder & Co-Chair*
- ▶ **Urban Regional Studies Caucus**, *Founder*

Committees

- ▶ **Education & Labor**

- ▶ Ensure that Americans' needs are addressed so that students and workers may move forward in a changing school system and a competitive global economy.

- ▶ **Transportation & Infrastructure**

- ▶ Maintain and improve the transportation and infrastructure in our country to best ensure the efficient flow of people, goods, and ideas.

- ▶ **Oversight & Reform**

- ▶ Main investigative committee in the U.S. House of Representatives.

- ▶ **Rules**

- ▶ Power over which bills are considered on the floor and influence over procedure.

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